



POWER & INSTRUMENTATION (GUJ.) LTD.
AN ISO 9001 : 2015 COMPANY

“Power & Instrumentation (Gujarat) Limited Q2 & H1 FY-25 Earnings Conference Call”

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MANAGEMENT: **MR. PADMARAJ PILLAI – MANAGING DIRECTOR,
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LIMITED**

MODERATOR: **MR. GANESH NALAWADE – KIRIN ADVISORS**



Moderator: Ladies and gentlemen, good day and welcome to the Power & Instrumentation (Gujarat) Limited Q2 & H1 FY25 Earnings Conference Call hosted by Kirin Advisors.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Ganesh Nalawade from Kirin Advisors. Thank you and over to you, sir.

Ganesh Nalawade: Thank you and good afternoon everyone. On behalf of Kirin Advisors, I welcome you all to the Conference Call of Power & Instrumentation (Gujarat) Limited. From the Management Team, we have Mr. Padmaraj Pillai – Managing Director and Mr. Rohit Maheshwari – CFO.

With that, now I hand over the call to Mr. Padmaraj Pillai. Over to you, sir.

Padmaraj Pillai: Greetings and good day to everyone. I really thank all of you for joining us on this call to discuss the performance of Power & Instrumentation (Gujarat) Limited for the First Half of FY25. I am very pleased to present our “Financial” and “Operational Highlights”, as well as the strategic initiatives for the continuous growth and expansion that we planned for the company. Since our founding in 1975 we earned the reputation as a very key player in the electrical contracting and equipment industry.

Our unwavering commitment to excellence has allowed us to deliver top tire electrical procurement and construction solutions across a broad spectrum of services. From installations to maintenance and to repairs and system upgrades, we cover every facet of electrical infrastructure with precision and reliability. Our comprehensive service portfolio includes end-to-end solutions for indoor outdoor substations, transformers, diesel generating sets, power distribution panels, lighting systems, uninterrupted power supply system, access control system and building management systems. This wide ranging piece enables us to meet the dynamic needs of our diverse clientele, which spans industrial, commercial and government sectors. We take pride in our impeccable project execution and our commitment to timely completion, which have become a hallmark of our operations.

In addition to our core EPC services, we provide an array of solution that address contracting needs, industrial, commercial electrical work and critical backup power infrastructure. We serve a very wide spectrum of clients, including public sector undertaking, semi government entities, central and state government bodies, telecom companies, healthcare facilities, leisure centers and various other industries. We are working very closely with the best of the architects and consultants across the country, and we customize each projects to align with our client specific requirement, enhancing both functionality and sustainability. Our operational footprint covers the key measures throughout India. We work geographically across the country. We have



worked in almost all the states across the country. In Rajasthan, we have a long standing presence and a strong track record of successful projects. Most recently, we have expanded operations in the Himachal and resumed significant activity in Jharkhand, further cementing our presence in the Eastern region with the ongoing projects in Assam.

The strategic expansion allow us to bring our expertise in power generation, transmission and distribution to very wider client base, strengthening our regional impact and enabling us to better serve the varied needs of our client across the different sectors. India's power sector continues to experience transformative growth, driven by the increasing electrification, renewable energy expansion and supportive government initiative. Solar energy capacity in the country has reached an impressive 85 gigawatt highlighting the strikes made in renewable energy development. This further is bolstered by the government schemes such as Deen Dayal Upadhyay, Gramin Jyoti Yojana, Ujwal Discom Assurance Yojana, Integrated Power Development System, RDSS, which are significantly enhancing the electrification and power infrastructure across urban and rural areas.

One of the landmark initiatives Saubhagya, that is Pradhan Mantri Sahaj Bijli Har Ghar Yojana is making electricity accessible to every household in India. With an outlay of 16,320 crores including gross budgetary support of 12,320 crores, This scheme focuses on providing the last mile connectivity to unelectrified households in both rural and urban areas, ensuring equitable energy access for economically disadvantaged communities. Another transformative. program is the PM-Surya Ghar Muft Bijli Yojana, which empowers households to harness solar energy by offering a 40% subsidy on the rooftop solar panel installations. This initiative aims to benefit more than one crore households nationwide, and is projected to generate significant savings of around 75,000 crores annually for the government, underscoring the growing emphasis on the sustainable energy solutions.

These government initiatives not only align with India's ambitious energy transition goals, but also opens up substantial opportunities for us, as our expertise in electrical EPG solution positions has to play a very critical role in supporting these programs. By leveraging our capabilities, we are well pleased to contribute to the expansion of sustainable infrastructure and capitalize on the increasing demand of electrification and renewable energy solutions across the country. Just to highlight a few strategic milestone during this period which would highlight our trajectory. We have taken a controlling stake in Peter Electrical Company Limited allowing us to expand our manufacturing capabilities for electrical panels, compact substation and bus cutting system. This acquisition strengthens our portfolio and enhances our capability to serve the key clients.

In addition, we have successfully secured a substantial contract under the Mukhya Mantri Ujjwal Jharkhand Yojana, amounting to about 28.41 crores. Focused on the electrification rural households in Jharkhand site dwelling district. We are proud to support the government's electrification initiative, and we bring to this project the proven track record of efficient execution have been delivered similar projects worth more than 200 crores in past.



Further bolstering our position in the Airport Infrastructure sector, we have recently appointed by Airport Authority of India to manage the power supply systems for the new integrated passenger terminal building at Maharana Pratap Airport in Udaipur. Our recent contract at Sardar Vallabhbhai Patel International Airport with the Adani Group, further cements our role in advancing India's infrastructure land space.

I am pleased to report we have achieved a strong financial performance in quarter two and H1 of FY25 in the quarter FY 25. Our consolidated total income reached 55.75 crores, reflecting an impressive year-on-year growth of 127.34%, EBITA has increased to 6.04 crores making a 108.86 year-on-year rise with a healthy EBITDA margin of 10.3%. Net profit for the quarter came in at 3.89 crores, representing exceptional 180.11% year-on-year growth with a net profit margin of 6.98%. Additionally, our EPS rose by 146.79% year-on-year to Rs.2.69. For H1 FY25, total income was 81.74 crores, growing by 75.34% year-on-year. EBITDA for the half year reached 9.69 crores reflecting a 73.45% year-on-year increase and delivering an EBITDA margin of 11.86%. Net profit for half year was 5.76 crores up by 140.72% with a net profit margin of 7.04%, also our EPS rose by 110% to Rs.3.99.

The strong results underscore our operational excellence and strong financial health positioning us to well for a sustained growth. Looking ahead, we are exploring new avenues in solar EPC and battery energy solar systems as a part of our renewable energy initiative, with an increasing focus on R&D, we aim to introduce innovative products by FY25-26, staying at forefront of advancements in the energy sector. As in demand for our power continues to grow, PIGL remains dedicated to expanding its operational footprint, strengthening project execution capabilities and positioning itself as a leader in electrical contracting industry.

Thank you once again for the continued support. I look forward to providing further insight and our progress during today's call. With that, I would like to open the floor for any questions you want to ask.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Aditi Roy from Patel Advisors. Please go ahead.

Aditi Roy: My question is, how do you assess the impact of government initiatives like RDSS on your business growth?

Padmaraj Pillai: Ma'am could you speak again because you were not very clear. I could listen to the RDSS part and the next part, but initial one word is missing. How do you?

Aditi Roy: How do you assess the impact of government initiatives like RDSS on your business growth?

Padmaraj Pillai: How did you achieve?

Aditi Roy: How do you assess, how do you measure the impact of government initiative like RDSS?



Padmaraj Pillai: Okay. So ma'am RDSS one, two, three, four, it's all going to follow one-by-one. India right now, as we all know that there has been such a huge growth in the generation side, as far as the total generation is concerned, in the past couple of years, there's a huge up-gradation that is going on at all levels that is right from distribution level to the transmission level. So basically, RDSS scheme aims at the criticality of the distribution there, where right now it's only a single line which is delivering to commercial industry, as well as to the agriculture and everything. So basically, the plan is to segregate that so, once that happens, there is a lot of power saving that happens. So this initiative which is there, done by the central government across the country, we are very well positioned right now to take as many as we want. And there is an amazing line of tenders which are there, in fact there are newness to the tender, there are a lot of other things which are happening. And all these places we are getting qualified directly. So it is a very, very, it's a very interesting space that we are in right now, and this project should really, really boost our growth.

Aditi Roy: Okay, sir. And my next question is, can you provide an update on your geographical expansion plan?

Padmaraj Pillai: See Aditi ma'am. The whole thing is that we have been constantly, from the time we have started working we have been constantly working across the country, if you look at my geographical footprint, we have worked right from Kashmir to Kanyakumari, and we work right from Gujarat to Manipur. So, geographically we are present everywhere. So we don't have, right now as in the recent time what we have done is that, we have explored our, we have put our foot in Himachal and Jharkhand we have again, we earlier worked in Jharkhand, we opened our account in Jharkhand. These are the two things that we already doing. Rajasthan, we are present, Assam, we are there. Delhi, I am already working. I am working in Manipur, I am working in Kerala. So, geographically I am there everywhere, and I am ready to go everywhere.

Aditi Roy: Okay, sir and my last question is, what opportunities do you see in India, solar EPC and DESS market?

Padmaraj Pillai: So, solar EPC, it is going to be a story which will be running and re-running over it, and along with it, the DESS story, which has recently started, the Battery Energy Storage System, that is going to be the next big game changer, because now what has happened is that harnessing the sun has already been achieved, and now the modules that are available are coming with high capacity, so at a smaller place, you can still install more. But what happens is that, you have harness the sun, but are you able to store it. So if you are able to store it, you can again reduce your dependency on the fossil fuels, because in the night you can utilize the same thing. So looking at that, it is across the globe that everybody is looking at the battery energy storage system, and India is no newness. So definitely, it is going to be the next big market. So both of it is going to be run and rerun, it is going to be a continuous thing.

Moderator: Thank you. The next question is from the line of Priya Jain from Green Capital. Please go ahead.



- Priya Jain:** Sir, my question is, how do you view the EBITDA margin of 10.84% compared to the industry average?
- Padmaraj Pillai:** Rohit, can you just answer this?
- Rohit Maheshwari:** So, madam the industry EBITDA is in EPC particularly lies between 10% to 12% only and we are also in same line. So we are slowly gradually on quarter-to-quarter basis we are trying to improve the same as you can see from our results.
- Priya Jain:** Yes, good to hear sir. Okay, so I have one more question, what steps are been taken to manage the interest burden, given a slight decline in interest cost year-on-year?
- Rohit Maheshwari:** So, madam in order to reduce the finance cost, we are effectively utilizing the money like ideal money has been parked to the interest bearing account so that necessary steps are taken to reduce the finance cost in terms of interest, like bank guarantee issuance charges, and we are continuously in touch with bankers to get the rates even reduced. So, the better way to say is that we are effectively utilizing the money to reduce the finance cost.
- Priya Jain:** Okay. So, I have one more question. How does the company plan to maintain its growth trajectory in H2 FY25?
- Rohit Maheshwari:** So, H2 FY25 as we have already stated, that we are seeing the growth on overall basis of 50% growth on a year-to-year basis, so which we may think we may achieve.
- Moderator:** Thank you. The next question is from the line of Naina Jain from Alki Capital. Please go ahead.
- Naina Jain:** My question is sir, can you explain the rationale behind the increased trade receivables and inventory levels?
- Rohit Maheshwari:** So, madam if you see the sales, it has been almost twice the last year same quarter, and overall inventory days if you see on a year-to-year basis, that has been reduced to an extraordinary level like for the same 31st March 2024 we had an inventory days of 120 days, which has been reduced to 78 days. And inventory days of 152 days, which has been reduced 100 days. Now, the rationale behind rise in inventory is, as we are also doing some civil works for various projects. So the civil works has been built at the time when the work has been completed in entirety. So that is the main reason of rise in inventory by way of value. However, the days of the inventory has been reduced as compared to the last year.
- Naina Jain:** Sir my next question is, how are you managing cash flow given the rising working capital requirements?
- Rohit Maheshwari:** So, madam rise in working capital. Working capital requirement, we are focusing more on receivables part, like we are taking prompt actions on receivables, and we are effectively



utilizing the inventories so that our cash flow is not being stuck at anywhere, and we are not stuck ultimately, in running the business.

Naina Jain: Okay, sir. My last question is, what are the major operational challenges faced in your ongoing projects?

Padmaraj Pillai: What are the challenges we are facing in the ongoing projects?

Naina Jain: Yes.

Padmaraj Pillai: We are not facing any challenges, the work are going on smooth, absolutely, there is no issue, the government is very supportive, the government wants the work should be finished on time. So, the push is there, the thrive is there so it's the work are going on absolutely, except for the geographical reasons, the rains and everything that has been always there. So otherwise, we are not looking at any kind of issues right now.

Moderator: Thank you. The next question is from the line of Rachana Sharma from H&I. Please go ahead.

Rachana Sharma: My first question is, what risk do you foresee with the evolving regulatory framework in the power sector?

Padmaraj Pillai: In the evolving regulatory?

Rachana Sharma: Yes, regulatory framework?

Padmaraj Pillai: Regulatory framework you are talking about?

Rachana Sharma: Yes.

Padmaraj Pillai: So, ma'am actually the latest whatever notifications which have come out, on whatever regulations, the upgradation which has been done is very, very supportive. It's very, very supportive in fact it is going to boost the business and there's nothing negative about it because if the government has started understanding that the criticality, how critical is electrical connection and how critical it has to be and safety and everything has to be taken care off. So it is definitely just going to add to the complete social responsibility of each and every one of us. So we as a company, we have always focused upon safety and we have always been very focused on that point that there should be no kind of any this thing. So in fact for us, it's a booster.

Moderator: It seems like our current participant got disconnected. The next question is from the line of Shaikh Ahmed from Deva. Please go ahead.

Shaikh Ahmed: My question is, as a EPC contractor in distribution and transmission substations. What are your major works, are you taking, including all civil and electromechanical works, or only you are



doing the MEP works and installation of the equipment, and also the procurement of the equipment will be your scope of work, or it will be directly given by the clients?

Padmaraj Pillai:

Okay, Mr. Ahmed, I will explain this to you. See, normally what happens is, whenever you are creating a substation, there are minor civil works, minor civil works means there will be the boundary wall, the land filling, there will be a control room, there will be trenches to be built. So these civil works, we do take up as a part of the electrical so normally it will be like 20% of civil and 80% of electrical. So as far as the substation is concerned, and as far as again the lines are concerned or the transmission side is concerned, or the distribution lines are concerned. Again, when you are erecting the poles, for the transmission of the or you are erecting the towers, there are foundations are to be built, which are to be made. So those foundations are made by us. So anything that's pertaining to electrical, the civil portion which is there we do take care of, the mechanical part also as I told you, the substation built and the substation where we create, there are certain mechanical portion also, which is to be done. Maybe you have a small drainage system or a small something, so those things we take up, so are primarily. Coming back to your next line of question, we only take a project that include material, we do not take up labor projects. We are very specific about it, we do work only with complete supply of equipment's.

Shaikh Ahmed:

Okay. My next question is, are those sites will be given by the client or you have to identify the sites for the construction of this substation, and mainly you are dealing with the distribution or transmission substation?

Padmaraj Pillai:

Okay, so basically the location and the land is given by the government from the Discom, or whatever is the body there. They identify the land, and they give us the land to us. We only build the complete substation on that portion, we don't have to procure land, or we don't have to go find a land or anything like that. It is already there, it is already marked, every city, every village, every the town planning has already marked, in future there is an expansion this is the area where things are to be done, that land has already been allocated. So the Discom just takes the land from the local body, and then it hand it over to us, we build a complete substation, and then we hand it over to them. So this is the first part of your question, which I answered. Point number two is that we are doing both, we are doing both, we are doing transmission substation also, and we are doing distribution substation also.

Shaikh Ahmed:

Okay. And how do you see the growth of the company in coming years, because now the government focus is mainly on the power sector. So being a small base company, are we seeing major projects to come in in the future and can we grow in a multi fold way?

Padmaraj Pillai:

So absolutely we see ourselves going at multiple fold because the kind of work that is coming in, for example Rajasthan just launched about almost about 25,000 crores of electrical works very recently, they published about 25,000 crores of work. Similar is the case with UP, similar is the case with Bihar, Maharashtra, you talk about Gujarat any state that talk about, already if you look at the tender system right now you will find about 2000, 3000 crores of tender being floated in every quarter or every half year. So, there's a fantastic opportunity for us to grow, but



then, yes the growth has to be sustainable. That's what I have always believed in and I have always believed that, sustainability means that you are able to execute the project. It should not be, you just take up a project and you keep lying down on it. So what we aim to do is that, we aim to grow at a very, very good speed, but then make sure that we grow at that speed which is really sustainable, and we grow at a pace where we don't have our clients coming back to us and complaining or something like that. We want everybody to have a win-win situation. So that's what we are planning for, but you will definitely see us grow multiple fold that is for sure.

- Moderator:** Thank you. The next question is from the line of Aniket from Oblique. Please go ahead.
- Aniket:** My question is that, in the last concall, I had read and correct me if I am wrong that come October, November 2024 our company is going to start bidding projects upwards of 150 crores to 300 crore range. So am I right and has that process been started?
- Padmaraj Pillai:** No, that was FY25 you heard me wrong, not FY24.
- Aniket:** Okay. And currently what's the kind of order pipeline order book we have and current order book in hand?
- Padmaraj Pillai:** Current order book is +350 crore and in pipeline we have almost quoted tenders worth about another close to 300 odd crores.
- Moderator:** Thank you. The next question is from the line of Amit Chordia from World Food. Please go ahead.
- Amit Chordia:** Sir, I quickly wanted to understand on what is the success rate in the past for the bid versus success that we will get the percentage and this 350 crore is to be done in 24 months is that right?
- Padmaraj Pillai:** It's all partial. Some are to be completed in this financial year, something is for 24 months, something is for 12 months it's all a mixed bag of it. So, we are working on the same way, wherever is the timeline we are focusing on the timelines like for example the Ahmedabad airport project has to be completed by January. So that entire work has to be completed. Then, partially, RDS if you talk about, RDS will be completed by November 2025, the Mukhya Mantri Yojana, that we are doing in Jharkhand has to be completed by December 2025. So it's like 12 months, 18 months, 24 months it's all a combination of it.
- Amit Chordia:** Got it and what do you, what is the past success ratio on our tender win rate on the 300 crore, that new bidding what do we expect to get in for us?
- Padmaraj Pillai:** So, actually Mr. Chordia, I would put this, I have answered this question before also. Actually see, in case of tendering what happens is, there is nothing called appreciated success rate, it's basically like at a time when you are sitting on orders you would want to increase your margins. So, you would take an opportunity of quoting better rates, and making sure okay, even if I get



one tender out of that, I am more happy taking one tender at a good margin than taking two tenders and little low margin. Right now I am sitting on a good order book. So, I love to now focus on my EBITDA and my PAT instead of just on my top line. So, that is where I always say that there is no sure short percentage or sure shot economics as it works out to what would be the hit ratio, actually.

Amit Chordia: Got it. And on the BESS, what part do we want to take up, because it is a big vertical and lot of companies want to enter this space. So what is your aspiration personally to which part do we take up and build on?

Padmaraj Pillai: So, I am interested in BESS also as an EPC contractor to provide that complete solution on turnkey basis. So we have been in discussions with a couple of companies who provide the solution so we want to tie up with them and come out with this thing where we can do the complete turnkey for the end user.

Moderator: Thank you. The next question is from the line of Tara Ghosh from VY Capital. Please go ahead.

Tara Ghosh: Sir my question is, are there plans to expand your service offerings beyond the current segment?

Padmaraj Pillai: Pardon me, ma'am, you will have to repeat again.

Tara Ghosh: My question is, are there plans to expand your service offerings beyond the current segment?

Padmaraj Pillai: So currently, see if you look at our industry, it majorly consists of three portions, generation, transmission and distribution, we are already there in transmission and distribution, obviously we will look into this generation also, definitely, where we can take up turnkey projects on the generation part also, that's definitely going to be the next thing. Once we are through with our transmission part, we are definitely moving into that. So there will definitely be more services that will be added, and a lot of things that we are working on. So let time come, we will reveal.

Tara Ghosh: Sir my next question is, what benefit do you anticipate from the acquisition in terms of improving supply chain efficiency and sourcing materials or resources internally?

Padmaraj Pillai: In terms of the manufacturing that you are talking about, the outsourcing that we do. Is that what you are seeing me?

Tara Ghosh: Yes.

Padmaraj Pillai: We are substantially going to increase the production also, looking at whatever there are a couple of products and development once that comes into picture, that comes into play, we will have an upper edge definitely in the market.

Tara Ghosh: Okay. And sir my last question is, are there any plans to expand beyond India, like internationally?



- Padmaraj Pillai:** If given an opportunity, why not, definitely why not, why restrict yourself to just being a domestic player, you can as well be a global player. But the opportunity has to be right, the timing has to be right, the profits have to be right, just not for the reason of just wanting to go global that's all.
- Moderator:** Thank you. The next question is from the line of Prateek Chaudhary from Saamarthya Capital. Please go ahead.
- Prateek Chaudhary:** Sir, this year we did about, we are targeting 50% growth more or less, is it safe to assume that next year FY26 could also be something similar in terms of growth percentage?
- Padmaraj Pillai:** Yes, we do absolutely we do want to do that. We want to get numbers, we want to get those EBITDA and we want to get those PATs definitely, and we are working really hard towards it.
- Prateek Chaudhary:** So 50% growth over FY25 is reasonably achievable in FY26?
- Padmaraj Pillai:** Yes, it is.
- Prateek Chaudhary:** Okay. And you also mentioned that there is an order pipeline of 300 crores, this last time you had said only 8200 crores, so basically 200 crores additional orders you will probably bid for in that time in the last?
- Padmaraj Pillai:** No, actually the 1800 crores talk about last time couple of them have opened, we did not get those tenders. So we bid it for more of it, new packages that have come in they are yet to be opened.
- Prateek Chaudhary:** They are yet to be opened you said?
- Padmaraj Pillai:** Yes, they are yet to be opened.
- Prateek Chaudhary:** And when is the bidding expected to take place for the 300 crore?
- Padmaraj Pillai:** The opening somewhere from 15th or 20th of December onwards, most of them will open after December 20th.
- Prateek Chaudhary:** Okay. And the results would be awaited by what time, by which month?
- Padmaraj Pillai:** Normally, what happens is that it takes about a month because they open up the technical first, then they go through the technical, which takes about 15, 20, days. Then the query is become and whatever there is a shortfall of documents it comes to us and all that. So probably we can anticipate somewhere in January we will get proper, the financial bids to be open.
- Prateek Chaudhary:** Okay. And next year or next FY, do you expect our order book, unexecuted order book to cross 500 crores at say some point at the years?



- Padmaraj Pillai:** No, because I would be completing a lot of work by that time. So, the containment would be that, see what happens is that year-on-year, if you are looking at a certain target, we would do the order booking accordingly, because the execution becomes a very critical part. Because it cannot be that I take up an order book, because as I told you, this all vary between the time of execution is anywhere from six months to 24 months. So if, supposedly, I back three projects of six months, then they have to be done immediately, if it's a 24 months then you have the cushioning available with the time factor. So based on that, we calculate ourselves and we make sure that, that is the kind of order book that should be in our hand, that we should be able to do what goals we are trying to achieve.
- Prateek Chaudhary:** Right. And just elaborating on one of the participants earlier question, where you said that you might get into turnkey projects on the generation side as well. Is this more to do with the solar EPC, is that what you meant or this is?
- Padmaraj Pillai:** So, even, for that reason BS is a part of it, even the BES is a part of it, because ultimately, your storing power, and then you are giving it back. So it's again generating it, so it's a part BS also becomes a part of it, solar is a part of it. So all this, whatever it is, is part of the generation part only.
- Moderator:** Thank you. The next question is from the line of Abhay Sharma from GC capital. Please go ahead.
- Abhay Sharma:** Sir my question is, how are you positioning the company to benefit from India's transition to smart grids?
- Padmaraj Pillai:** India's transition to the smart grid?
- Abhay Sharma:** So are you talking about the smart metering and all?
- Padmaraj Pillai:** So, we did quote a few tenders in the past, but right now if you are aware of it, the government has put a hold on a lot of things in the smart build space. Right now the major concentration is going on in the distribution and the transmission sector. So first we will cash that, and then move over forward looking at the opportunity what comes with the market.
- Abhay Sharma:** Okay, sir. The next question is, could you provide an overview of the demand trends in the transmission and distribution sector?
- Padmaraj Pillai:** I would say that the last time we had a meeting of the contractors meeting we had in which the power minister was available, the outlay of funds that they are talking about is almost close to in next five years they are all talking about, deploying about 30 to 35 lakh crores for the power infra. So, considering that every year almost it is like, 8 to 10 lakh crores is going to come up. So, we can look at the substantial growth that will happen in the market.



- Abhay Sharma:** Thank you. The next follow up question is from the line of Amit from World Food. Please go ahead.
- Amit:** Sir now that we have a buffet of orders to pick from, for FY26 what kind of operating margins do you expect one through economies of scale also, and now that we are bidding for projects where margins are higher, so from this 11% what should we move on to for FY26?
- Padmaraj Pillai:** See, I would be definitely aiming at moving it to another 2%, 3% at least bare minimum. And that is the reason why I said, when somebody asked me about the order booking or whatever, so I said that now is the time where, I sit down consolidate, try and get a better EBITDAs and better PATs, this is the right time to do that. So that is where we are aiming at, so let's see how much improvement we can do.
- Amit:** Alright so FY26 around, 13%, 14% is what we are aiming at?
- Padmaraj Pillai:** We definitely want to do that.
- Amit:** And H2 would be stronger than H1 always, because of that you have to complete orders by 31st March, that's the trend in all the EPCs, correct?
- Padmaraj Pillai:** Yes, that is a general trend with all the EPCs. But now what has happened is, very honestly telling you now what has happened is that with the advent of all this funding and with the central government initiatives and all that, every quarter turns out to be as pressureful as it is in the end, earlier time is definitely used to be that the fourth quarter used to have a big jerk because of the reason that whatever money is left, the government wants to do the spending to get the GDP right. But right now it is like, they position all the quarters equally. So, it is not that now, that is going to be the trend. It is going to be now quarter-on-quarter only. So, it is going to be the same way what we have seen now.
- Moderator:** Thank you. As there are no further questions from the participant, I now hand the conference over to Mr. Ganesh Nalawade for closing comments.
- Ganesh Nalawade:** Thank you everyone for joining the conference call of Power & Instrumentation (Gujarat) Limited. If you have any further queries, you can write us at research@kirinadvisors.com. Once again, thank you everyone for joining the conference.
- Padmaraj Pillai:** Thank you all. Thank you so much for joining, thank you.
- Moderator:** Thank you. On behalf of Kirin Advisors, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.